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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

RECORDATION NO. 21070

FILED

DEC 15 '97

2-10 PM

December 15, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Master Loan and Security Agreement No. 3458, dated as of December 9, 1997, a primary document as defined in the Board's Rules for the Recordation of Documents and two (2) copies of each of the following secondary documents related thereto: Loan Schedules No. 01, No. 02 and No. 03, three (3) Full Recourse Assignment Agreements and a Bill of Sale.

The names and addresses of the parties to the enclosed documents are:

Debtors and Assignors:

Relco Locomotives, Inc.
Jerico of Gonzales, Inc.
Relco Finance Corp.
113 Industrial Avenue
Minooka, IL 60449

Secured Party and Assignee:

Charter Financial, Inc.
153 East 53rd Street
55th Floor
New York, NY 10022

RECORDATION NO. 21070-ABCDEF

FILED

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BOARD

Primary

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Mr. Vernon A. Williams
December 15, 1997
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Bill of Sale

Seller: Houston Mainland Corporation

Buyer: Relco Locomotives, Inc.
113 Industrial Avenue
Minooka, IL 60449

A description of the railroad equipment covered by the enclosed documents is:

forty-one (41) locomotives bearing RE reporting marks and road numbers set forth on Schedule A attached to Loan Schedules No. 01, 02 and 03.

Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/bg
Enclosures

**LOAN SCHEDULE NO. 03 UNDER
MASTER LOAN AND SECURITY AGREEMENT NO. 3458**

Pursuant to a Master Loan and Security Agreement No. 3458 dated 12/8/, 1997 ("Master Agreement") between Charter Financial, Inc. ("Secured Party") having a place of business at 153 East 53rd Street, New York, New York 10022 and Relco Locomotives, Inc. a Illinois corporation, Jerico of Gonzales, Inc. a Louisiana corporation, and Relco Finance Corp. a Illinois corporation, jointly and severally herein referred to as ("Debtor") each having a place of business at 113 Industrial Avenue, Minooka, Illinois 60447, Debtor hereby promises to pay to the order of Secured Party the Loan Amount set forth in the schedule of obligations below, in installments in the amounts and at the times specified below. This Loan Schedule incorporates the terms and conditions of the Master Agreement and constitutes an Agreement as referred to in the Master Agreement. Terms used herein which are defined in the Master Agreement shall have the meanings as so defined.

The Equipment in which Debtor grants to Secured Party a security interest in accordance with the provisions of the Master Agreement is set forth and described in Schedule A annexed hereto and made a part hereof. Said Equipment shall be located at n/a at all times until all payments hereunder have been paid in full.

SCHEDULE OF OBLIGATIONS

RECORDATION NO. 21070-E FILED

Loan Amount	\$1,792,250.00
Documentation Fees	\$ -0-
Interest	\$ 597,905.32
Time Balance	\$2,390,155.32
Term of Loan	84 Months
Number of Payments	Eighty-Four (84)
Payments Payable	<u>Advance</u>
Amount of Each Payment	\$28,454.23

DEC 15 '97 2-10 PM

Debtor agrees to pay the Time Balance to Secured Party in eighty-four (84) installments as follows: (a) an advance rental payment in the amount of \$28,454.23 due and payable on or before execution of this Agreement followed by (b) Eighty-Three (83) additional monthly payments of \$28,454.23 payable on the 10th day of each month, commencing on 12/10/, 1997 and continuing on the like date of each month thereafter through and including 11/10/, 2004.

The Debtor agrees to all the provisions set forth above. This Agreement is executed pursuant to due authorization. DEBTOR ACKNOWLEDGES RECEIPT OF A SIGNED TRUE COPY OF THIS AGREEMENT.

Accepted on December 9, 19 97

Date December 8 1997

CHARTER FINANCIAL, INC.
(Secured Party)

RELCO LOCOMOTIVES, INC. (Debtor)
(Signature of Proprietor or name of
Corporation or Partnership)

By [Signature]
Its Vice President
(Title of Officer)

By [Signature]
Its C.E.O
(if Corporation, President or Vice President should
sign and give official title; if Partnership, state
partner)

JERICO OF GONZALES, INC. (Debtor).
Signature of Proprietor or name of Corporation or
Partnership

RELCO FINANCE CORP. (Debtor)
(Signature of Proprietor or name of Corporation or
Partnership)

By [Signature]
Its Vice President
(if Corporation, President or Vice President should sign
and give official title; if Partnership, state partner)

By [Signature]
Its President
(if Corporation, President or Vice President should
sign and give official title; if Partnership, state
partner)

**DEBTOR: RELCO LOCOMOTIVES, INC.,
JERICO OF GONZALES, INC.,
RELCO FINANCE CORP., AND
113 INDUSTRIAL AVENUE
MINOOKA, ILLINOIS 60447**

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**SECURED PARTY: CHARTER FINANCIAL, INC.
153 EAST 53rd STREET
NEW YORK, NEW YORK 10022**

**LOAN SCHEDULE NO. 03
TO ML&SA #: 3458**

SCHEDULE "A"

<u>QTY.</u>	<u>ROAD #/DESCRIPTION</u>
6	EMD MODEL SW1200, 1200 HORSEPOWER LOCOMOTIVES: Road Nos. RE1252 RE1253 RE1254 RE1255 RE1256 RE1257 RE1282
10	EMD MODEL SW1200 DIESEL ELECTRIC LOCOMOTIVE: Manufacturer: General Motors Corporation Electro-Motive Division LaGrange, Illinois Horsepower: 1200 HP Road Nos: RE1251; RE1259; RE1293 (inclusive) RE1262; RE1263; RE1270; RE1271; RE1272; RE1281; -RE1283 (inclusive) RE1285 Number of Axles: Four Gear Ratio: 62:15 Approximate Loaded Weight 248,000 lbs. Air Brake Equipment: 6BL or 26L Engine Model Number: 12-567-B; 12567-BC; 12-567-C Generator Model Number: D15C Auxiliary Generator: 10KW Traction Motor Model Number: D27B; D77B (mixture) Full Capacity: 600 - 750 Gallons

AND ALL ADDITIONS, ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS, REPLACEMENTS, REPAIRS, IMPROVEMENTS, BETTERMENTS AND APPURTENANCES OF WHATEVER DESCRIPTION OR NATURE WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND ALL PROCEEDS, INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS.

**DEBTOR: RELCO LOCOMOTIVES, INC.,
JERICO OF GONZALES, INC.,
RELCO FINANCE CORP., AND
113 INDUSTRIAL AVENUE
MINOOKA, ILLINOIS 60447**

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**SECURED PARTY: CHARTER FINANCIAL, INC.
153 EAST 53rd STREET
NEW YORK, NEW YORK 10022**

**LOAN SCHEDULE NO. 03
TO ML&SA #: 3458**

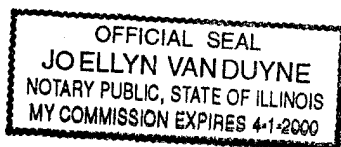
SCHEDULE "A"

<u>QTY.</u>	<u>ROAD #/DESCRIPTION</u>
1	EMD MODEL GP20 DIESEL ELECTRIC LOCOMOTIVES: Manufacturer: General Motors Corporation Electro-Motive Division LaGrange, Illinois Horsepower: 2000 HP Road Nos: RE2001 Number of Axles: Four Gear Ratio: 62:15 Approximate Loaded Weight 257,000 lbs. Air Brake Equipment: 26L Engine Model Number: 16-567-D3

AND ALL ADDITIONS, ATTACHMENTS, ACCESSORIES, SUBSTITUTIONS, REPLACEMENTS, REPAIRS, IMPROVEMENTS, BETTERMENTS AND APPURTENANCES OF WHATEVER DESCRIPTION OR NATURE WHETHER NOW OWNED OR HEREAFTER ACQUIRED, AND ALL PROCEEDS, INCLUDING, WITHOUT LIMITATION, INSURANCE PROCEEDS.

STATE OF Illinois }
 } ss.:
COUNTY OF }
Grundy

On this 8th day of December, 1997 before me, personally appeared Donald L. Bachman to me personally known, who being by me duly sworn, says that he is the CEO of Relco Locomotives, Inc., that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



Joellyn VanDuyne
Notary Public

(SEAL)

STATE OF New York }
 } ss.:
COUNTY OF New York }

On this 9th day of December, 1997 before me, personally appeared Brian Twomey to me personally known, who being by me duly sworn, says that he is the Vice President of Charter Financial, Inc., that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.

Louisa L. Baker

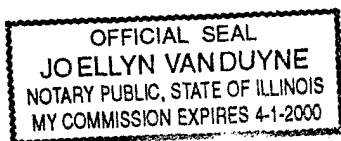
Notary Public

LOUISA L. BAKER
Notary Public, State of New York
No. 31-4955650
Qualified in Westchester County
Commission Expires September 5, 1999

(SEAL)

STATE OF Illinois }
 } ss.:
COUNTY OF Grundy }

On this 8th day of December, 1997 before me, personally appeared Donald L. Bachman to me personally known, who being by me duly sworn, says that he is the VP of Jerico of Gonzales, Inc., that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



Joellyn VanDuyne
Notary Public

(SEAL)

STATE OF Illinois }
 } ss.:
COUNTY OF Grundy }

On this 8th day of December, 1997 before me, personally appeared Donald L. Bachman to me personally known, who being by me duly sworn, says that he is the President of Relco Finance Corp., that said instrument was signed on behalf of said corporation on the date hereof by authority of its Board of Directors; and he acknowledges that the execution of the foregoing instrument was the free act and deed of said corporation.



A handwritten signature of Joellyn Van Duyn in cursive script, written over a horizontal line.
Notary Public

(SEAL)